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BOSTON AREA CONSUMER PRICES ROSE 0.9 PERCENT IN JANUARY; UP 4.3 PERCENT OVER THE YEAR

The Consumer Price Index For All Urban Consumers (CPI-U) in the Boston metropolitan area rose 0.9 percent for the two months ended January 2004, according to Denis M. McSweeney, Regional Commissioner of the U.S. Department of Labor's Bureau of Labor Statistics. This follows a 0.1 percent decline for the two months that ended November 2003. McSweeney noted that the all items index increase was largely due to higher costs for shelter although increases for fuels and utilities, internet service, and fruit and vegetable prices also contributed. These increases were partially offset by a seasonal decline in apparel resulting from winter markdowns. Since January 2003, the CPI-U for Boston rose 4.3 percent and core inflation, as measured by the all items less food and energy index, was up 4.1 percent.

For the two months ended January 2004, housing rose 2.1 percent, the result of a 2.0 percent increase in shelter costs combined with higher prices for fuel oil and utility (piped) gas service. Education and communication rose 2.9 percent due to higher costs for internet services along with increases within education. Food and beverages rose 0.9 percent, the result of a 1.2 percent rise in grocery store prices with fruits and vegetables as a main driver. Moderating the increase in the all items index, apparel declined 12.0 percent due to seasonal markdowns in winter merchandise. Among the remaining categories, medical care posted a 1.7 percent increase, followed by other goods and services, up 0.2 percent, and transportation, up 0.1 percent. Conversely, recreation fell 1.4 percent since November 2003.

For the year ended January 2004, the Boston CPI-U rose 4.3 percent largely due to increases within housing although food and beverages also contributed. Housing rose 6.1 percent due to a 6.3 percent increase in shelter combined with a 13.1 percent rise in utility (piped) gas service and a 7.2 percent increase in electricity. Food and beverages was up 3.1 percent due to a 4.3 percent rise in grocery store prices. Among the remaining categories, medical care was up 5.2 percent due to higher costs within subcategories of medical care services. Education and communication posted a 4.3 percent increase, followed by other goods and services, up 2.3 percent, and transportation, up 1.3 percent. Apparel rose 0.9 percent and recreation edged up 0.4 percent.

In January, the Boston CPI-U on the 1982-84 base was 208.4. By this gauge, the selected market basket of goods and services which cost area consumers an average of \$10.00 during the 1982-84 reference period would now cost more than double at \$20.84. The purchasing power of the dollar for the Boston area in 1982-84 dollars was 48.0 cents. In January, the CPI-W (Urban Wage Earners and Clerical Workers), at 206.8, was up 0.6 percent since November 2003 and increased 3.8 percent over the year.

Free email subscription service! To receive the most recent monthly Consumer Price Indexes for the U.S. and Northeast, and bimonthly indexes for the Boston-Brockton-Nashua, MA-NH-ME-CT metropolitan area, please subscribe at <http://www.bls.gov/bls/list.htm> and select the notification titled New England CPI Summary (Boston). Boston Consumer Price Index for March will be released on Wednesday, April 14, 2004 at 8:30 AM.

Changes in the Consumer Price Index in 2004

Expenditure Weight Update

Effective with release of data for January 2004, the Bureau of Labor Statistics (BLS) updated the consumption expenditure weights in the Consumer Price Index for All Urban Consumers (CPI-U) and Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 2001-02 period. The updated expenditure weights for these indexes replace the 1999-2000 weights that were introduced effective with the January 2002 CPI release. As originally announced by BLS in December 1998, CPI expenditure weights will continue to be updated at two-year intervals subsequent to the 2004 updating. The goal in employing more current expenditure weights is to have the CPI reflect, as much as possible, the inflation currently experienced by consumers.

Other Changes

Effective with the release of January 2004 data, title changes to select expenditure categories were implemented to clarify the content of each series. These series are continuous. As a result, the old title of “utility natural gas service” was changed to “utility (piped) gas service”. Additionally, due to the efficiencies gained from the conversion to Computer Assisted Data Collection (CADC), BLS will extend data collection to cover the entire month, beginning with data for January 2004. Additional information on these changes is available on the BLS Internet Web site at <http://www.bls.gov/cpi/cpiupdt.htm> or by call 617-565-2327.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Boston-Brockton-Nashua, MA-NH-ME-CT (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	Nov. 2003	Dec. 2003	Jan. 2004	Jan. 2003	Nov. 2003	Dec. 2003
Expenditure category						
All items	206.5	-	208.4	4.3	0.9	-
All items (1967=100)	600.3	-	605.6	-	-	-
Food and beverages	191.3	-	193.0	3.1	.9	-
Food	191.6	-	193.4	3.1	.9	-
Food at home	185.3	185.5	187.5	4.3	1.2	1.1
Food away from home	203.2	-	204.3	1.8	.5	-
Alcoholic beverages	191.2	-	191.8	2.1	.3	-
Housing	213.1	-	217.5	6.1	2.1	-
Shelter	256.6	259.8	261.7	6.3	2.0	.7
Rent of primary residence ¹	248.0	249.4	251.5	3.3	1.4	.8
Owners' equivalent rent of primary residence ^{1 2}	269.6	271.3	272.1	4.3	.9	.3
Fuels and utilities	155.9	-	164.2	10.5	5.3	-
Fuels	133.9	133.8	141.5	10.2	5.7	5.8
Gas (piped) and electricity ¹	154.8	154.8	160.6	9.5	3.7	3.7
Electricity ¹	139.3	139.3	141.1	7.2	1.3	1.3
Utility (piped) gas service ¹	181.6	181.7	195.2	13.1	7.5	7.4
Household furnishings and operations	121.4	-	120.0	-.7	-1.2	-
Apparel	147.2	-	129.6	.9	-12.0	-
Transportation	153.6	-	153.7	1.3	.1	-
Private transportation	152.9	-	152.8	1.3	-.1	-
Motor fuel	139.4	135.0	138.0	5.3	-1.0	2.2
Gasoline (all types)	137.5	133.2	136.1	5.2	-1.0	2.2
Gasoline, unleaded regular ³	136.0	131.5	134.7	5.7	-1.0	2.4
Gasoline, unleaded midgrade ^{3 4}	139.7	136.1	138.0	4.3	-1.2	1.4
Gasoline, unleaded premium ³	137.7	134.0	136.5	5.1	-.9	1.9
Medical care	405.3	-	412.2	5.2	1.7	-
Recreation ⁵	110.6	-	109.1	.4	-1.4	-
Education and communication ⁵	111.1	-	114.3	4.3	2.9	-
Other goods and services	313.9	-	314.5	2.3	.2	-
Commodity and service group						
All items	206.5	-	208.4	4.3	.9	-
Commodities	154.5	-	153.6	1.7	-.6	-
Commodities less food and beverages	134.3	-	132.2	.7	-1.6	-
Nondurables less food and beverages	155.2	-	150.1	3.2	-3.3	-
Durables	113.1	-	114.1	-2.9	.9	-
Services	253.6	-	257.8	5.6	1.7	-
Special aggregate indexes						
All items less medical care	197.8	-	199.5	4.2	.9	-
All items less shelter	187.5	-	187.8	2.9	.2	-
Commodities less food	136.6	-	134.6	.7	-1.5	-
Nondurables	172.1	-	170.4	3.2	-1.0	-
Nondurables less food	157.0	-	152.3	3.1	-3.0	-
Services less rent of shelter ²	257.0	-	259.8	4.7	1.1	-
Services less medical care services	240.9	-	244.8	5.6	1.6	-
Energy	136.6	134.8	140.5	8.2	2.9	4.2
All items less energy	217.2	-	218.8	4.0	.7	-
All items less food and energy	222.8	-	224.4	4.1	.7	-

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

² Index is on a November 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.

Regions defined as the four Census regions. See map in technical notes.

NOTE: Index applies to a month as a whole, not to any specific date.